

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 FEA-01 ERDA-07 AID-05 CEA-01 CIAE-00

CIEP-02 COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-15

SAM-01 OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-10 PA-02

PRS-01 /118 W

----- 063344

R 092035Z AUG 76

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 6672

INFO AMCONSUL CIUDAD JUAREZ UNN

AMCONGEN GUADALAJARA UNN

AMCONGEN HERMOSILLO UNN

AMCONSUL MATAMOROS UNN

AMCONSUL MAZATLAN UNN

AMCONSUL MERIDA UNN

AMCONGEN MONTERREY UNN

AMCONSUL NUEVO LAREDO UNN

AMCONGEN TIJUANA UNN

UNCLAS MEXICO 10175

E.O. 11652: N/A

TAGS: EALR ENRG ECEM BEXP MX

SUBJ: PEMEX'S EXPANSION PLANS, 1976-82.

1. IN A RECENT SPEECH TO A GROUP OF FINANCIAL PLANNERS, THE DIRECTOR OF FINANCIAL AND ECONOMIC STUDIES OF PETROLEOS MEXICANOS (PEMEX) OUTLINED THAT ORGANIZATION'S SPENDING PLANS FOR THE NEXT SEXENIO. PEMEX EXPECTS THAT THE VALUE OF THE INDUSTRY'S PRODUCTION WILL INCREASE 60 PERCENT IN REAL TERMS TO APPROXIMATELY \$7 BILLION. BETWEEN 1977 AND 1982, 1500 EXPLORATORY AND 1930 PRODUCTION WELLS WILL BE DRILLED AND THE NUMBER OF RIGS IN OPERATION WILL RISE FROM ABOUT 120 TO 200.

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2. REFINERY CAPACITY WILL BE INCREASED FROM 957 THOUSAND B/D TO 1,778 MILLION B/D, CATALYTIC CRACKING WILL RISE FROM 104 TO 280 THOUSAND B/D, WATER DESULPHURIZATION OF NAPHTHAS FROM 45 TO 250 THOUSAND, CATALYTIC REFORMATION OF NAPHTHAS FROM 33 TO 190 THOUSAND, AND DESULPHURIZATION OF INTERMEDIATES FROM 68 TO 315 THOUSAND B/D. DOMESTIC CONSUMPTION SHOULD RANGE BETWEEN 515 AND 585 MILLION BARRELS, AND INCREASE OF 35-50 PERCENT OVER 1975.

3. PEMEX PLANS TO INVEST \$11.4 BILLION OVER THE NEXT SIX YEARS, 10 PERCENT FOR EXPLORATION STUDIES AND EQUIPMENT, 31.7 PERCENT FOR DRILLING, 17.4 PERCENT FOR EXPLOITATION, 15.4 PERCENT FOR REFINING, 10.7 PERCENT FOR PETROCHEMICALS, 4.9 PERCENT FOR TANKERS AND BARGES, 7.2 PERCENT FOR TANK FARMS AND PIPELINES, 0.3 PERCENT FOR PORT FACILITIES, 0.9 PERCENT FOR VEHICLES, AND 1.8 PERCENT FOR ADMINISTRATION AND SOCIAL PROGRAMS. COMMENT: A DETAILED BREAKDOWN OF PLANNED PURCHASES WILL BE SUBMITTED SEPARATELY AS PART OF THE MARKET SURVEY FOR THE PORTS AND HARBORS&MARINE BSP. END COMMENT.

4. DURING THE LAST FIVE YEARS, PEMEX DISCOVERED 59 COMMERCIALY EXPLOITABLE FIELDS, 32 OIL AND 27 GAS.

COMMENT. WHILE MORE DISCOVERIES ARE NOT A CERTAINTY, THEY ARE HIGHLY PROBABLE, PARTICULARLY IN THE REEFORMA TREND AND NEAR REYNOSA. END COMMENT.

5. LIQUIFIED GAS PRODUCTION WILL RISE 60 PERCENT, ELIMINATING THE NEED FOR IMPORTS. GASOLINE, KEROSENE, AND GASOIL PRODUCTION WILL INCREASE 53 PERCENT, LUBRICANTS 55 PERCENT, PARAFINS 58 PERCENT, GREASES 50 PERCENT, AND ASPHALTS 54 PERCENT. PETROCHEMICAL PRODUCTION WILL INCREASE FROM 4.5 MILLION MT/YR TO 18.7 MILLION, REQUIRING AN INCREASE OF 135 PERCENT IN HYDROCARBON FEEDSTOCKS AND 111 PERCENT IN NATURAL GAS. COMMENT. INCREASE IN FEEDSTOCKS SEEMS TO BE INNSUFFICIENT FOR INCREASE IN PRODUCTION. END COMMENT.

6. AMMONIA PRODUCTION WILL INCREASE 130 PERCENT AND LOW DENSITY POLETHYLLENE 600 PERCENT, AND POLYPROPYLENE AND UNCLASSIFIED

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HIGH DENSITY POLYETHULENE PRODUCTION WILL BE INITIATED. BENZENE PRODUCTION WILL RISE 1400 PERCENT, TOLUENNEE 850 PERCENT, PARAZYLENE 800 PERCENT, ORTHOZYLENE 1,000 PERCENT, ACETYLHUDE 400 PERCENT, ETHYLENE OXIDE 700 PERCENT, ACRYLNITRYL 200 PERCENT, SULPHUR 155 PERCENT, VINYL CLORIDE 550 PERCENT, STYRENE 60P PERCENT, AND DODECYLBENZENE 200 PERCENT. MOST OF THE NEW PRODUCTION WILL BE LOCATED IN THE LA CANGREJA COMPLEX AT COATZALCOALCOS, VERA CRUZ.

7. PEMEX ESTIMATED THAT GDP WILL RISE 54 PERCENT DURING THE NEXT SIX YEARS AND THAT PETROLEUM SHARE OF GDP - 4.27 PERCENT IN 1970 AND 4.8 PERCENT IN 1975 - WILL REACH 5.38 PERCENT, MAINTAINING ITS PLACE AS THE LARGEST SINGLE INDUSTRIAL CONTRIBUTOR. PEMEX WILL CONSUME 18 PERCENT OF THE VALUE OF THE OUTPUT OF THE EXTRACTIVE INDUSTRIES, 10 PERCENT OF THE CHEMICALS, 4 PERCENT OF THE METAL AND METAL WORKING INDUSTRIES, 9 PERCENT OF TRANSPORTATION AND COMMUNICATIONS, AND 18 PERCENT OF THE ELECTRICAL OUTPUT.

8. PEMEX CURRENTLY EMPLOYS 41,700 PEOPLE AND EXPECTS EMPLOYMENT TO REACH 52,700 IN 1982. IT PRODUCED 2940 B/YR PER EMPLOYEE IN 1974 - 490 B/YR MORE THAN THE HISTORIC RATE - AND 3,475 EACH IN 1976. IF DIRECT HIRE, CONTRACT, AND SUPPLIER EMPLOYMENT ARE COMBINED, INDUSTRY EMPLOYMENT SHOULD TOTAL 1270,000 IN 1982.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM INDUSTRY, INDUSTRIAL DEVELOPMENT, PETROLEUM PRODUCTION, ECONOMIC ESTIMATES
Control Number: n/a
Copy: SINGLE
Draft Date: 09 AUG 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976MEXICO10175
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760306-0994
From: MEXICO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760872/aaaackvk.tel
Line Count: 133
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 27 FEB 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 FEB 2004 by ReddocGW>; APPROVED <19 JAN 2005 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PEMEX'S EXPANSION PLANS, 1976-82.
TAGS: EALR, ENRG, ECEM, BEXP, MX, PEMEX
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006